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ABSTRACT OF THE DISCLOSURE

A projection display apparatus (10) uses a modulation optical system (200) that includes a liquid crystal device (210) in combination with a wire grid polarization beamsplitter (240), a wire grid polarization analyzer (270) and a projection lens (285) to form an image. In order to achieve high contrast and maintain high brightness levels, a compensator (260) is provided for minimizing leakage light for pixels in the black (OFF) state. A number of configurations are possible, such as with the compensator (260) disposed in the optical path between the liquid crystal device (210) and the wire grid polarization beamsplitter (240) and with a secondary compensator (265) disposed between wire grid polarization analyzer (270) and the wire grid polarization beamsplitter (240).